

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division**

IN RE:

LeClairRyan, PLLC

Debtor.

)
)
)
)
)

**Case No. 19-34574-KRH
Chapter 7**

**APPLICATION FOR COMPENSATION
OF PROFESSIONAL ACCOUNTANT**

I. GENERAL INFORMATION

Comes now Lynn L. Tavenner, Trustee (the "Trustee") with an Application for Compensation of Professional Accountant on behalf of Barry Strickland & Company, Certified Public Accountants (the "Applicant"). If specific provisions of this application do not comply with the procedural guidelines adopted by the United States Trustee pursuant to 28 U.S.C. §586(3)(A), the provision and reason for the omission is noted in the specific paragraph concerning the provision.

The Trustee certifies that she has received and reviewed this application and approved it. The Trustee further certifies that a copy of this application has been served on the United States Trustee, and notice of this application has been served on all parties required to receive notice.

II. NARRATIVE SUMMARY

A. Background:

1. The Petition was filed as a Chapter 11 on September 3, 2019 and was converted to a Chapter 7 on October 4, 2019
2. The order approving employment was entered on October 30, 2019.
3. The services commenced on October 22, 2019.
4. The services were rendered on behalf of Lynn L. Tavenner, Trustee.
5. The applicant is seeking compensation pursuant to 11 U.S.C. §503(b).

*Lynn L. Tavenner, Trustee (VSB #30083)
Tavenner & Beran PLC
20 N. Eighth Street, Second Floor
Richmond, VA 23219
(804) 783-8300*

6. The terms and conditions of employment and compensation, including all payments made or promised to be made, are as follows:

Employment is to perform various accounting duties which are needed for the proper administration of the bankruptcy estate, including but not limited to preparation and filing of local, state and federal income tax returns. Compensation is to be determined pursuant to §328(a) of the Bankruptcy Code.

7. The source of the compensation is the Estate.
8. The terms and conditions of any retainers are: None.
9. The status of the retainers is: None.
10. Caps or limitations on fees or other charges are: None.
11. The information required of the professionals and paraprofessionals requesting fees and their hourly rates are listed below:

Name Barry Strickland, CPA	Current Hourly Rate: \$325.00	If Rate Has Changed, Described from Last Rate Change from Prior Rate: \$315.00 Date change became effective: 01/01/22 Reason for Change: General rate increase
Name Betsy Chappell, CPA	Current Hourly Rate: \$310.00	If Rate Has Changed, Described from Last Rate Change from Prior Rate: \$300.00 Date change became effective: 01/01/22 Reason for Change: General rate increase
Name Cheryl DePrisco, Staff Accountant	Current Hourly Rate: \$130.00	If Rate Has Changed, Described from Last Rate Change from Prior Rate: \$125.00 Date change became effective: 01/01/22 Reason for Change: General rate increase

12. Previous compensation or reimbursement of expenses has been allowed.

Name: Barry Strickland & Company									
Requested			Approved			Amount Paid		Balance Due	
Date	Fees	Expenses	Date	Fees	Expenses	Fees	Expenses	Fees	Expenses
May 7, 2020	\$20,531.50	\$109.10	July 20, 2020	\$20,531.50	\$109.10	\$20,531.50	\$109.10	\$0.00	\$0.00
September 9, 2020	\$12,310.95	\$1,523.35	September 30, 2020	\$12,310.95	\$1,523.35	\$12,310.95	\$1,523.35	\$0.00	\$0.00
January 7, 2021	\$3,314.70	\$116.50	February 5, 2021	\$3,314.70	\$116.50	\$3,314.70	\$116.50	\$0.00	\$0.00
May 6, 2021	\$17,127.50	\$218.90	June 4, 2021	\$17,127.50	\$218.90	\$17,127.50	\$218.90	\$0.00	\$0.00
November 30, 2021	\$6,588.70	\$0.00	January 3, 2022	\$6,588.70	\$0.00	\$0.00	\$0.00	\$6,588.70	\$0.00

13. No application for interim compensation has been filed less than 120 days after the order for relief or after a prior application to the Court.
14. The time period of the services and covered by this application is from November 30, 2021 to March 1, 2022.

B. Case Status To the Best of Applicant's Knowledge:

1. Applicant's Knowledge:

The amounts in the Trustee's possession are as follows: \$9,117,646.69 (Signature Bank), \$164,404.97 (Operating Account – HSBC); \$954,692.37 (commonly referred to as CAPE account); and \$299,775.36 (Virginia IOLTA).

2. A summary of the administration of the case is provided to the Court at regularly scheduled omnibus hearings.

4. Applicant states that if any changes in the status of the case occur after the filing of this application, the applicant shall orally or in writing supplement this application at the hearing, or if a hearing is not required, prior to the expiration of the time period for objection.

C. Project Summary

This application complies with the provision of the procedural guidelines pertaining to project task billing because the total amount of fees reasonably anticipated to be sought by each applicant in the case is \$10,000.00 or more.

III. ITEMIZATION OF SERVICES RENDERED

A. Summary Sheet

- 1) Total Requested: Fees: \$12,004.25 Expenses: \$25.40
- 2) Total previously approved by the Court: Fees: \$59,873.35 Expenses: \$1,967.85
- 3) Total hours for which compensation is requested: 39.26
- 4) A summary is provided for each applicant:

Name: Barry Strickland, CPA	Hourly rate:	\$325.00
Total hours for which compensation is sought:	14.41	

Name: Betsy Chappell, CPA	Hourly rate:	\$310.00
Total hours for which compensation is sought:	22.85	

Name: Cheryl DePrisco	Hourly rate:	\$130.00
Staff Accountant		
Total hours for which compensation is sought:	2.00	

- 5) Blended hourly rate, excluding paralegal or other paraprofessional time: \$315.47.

6) Total blended hourly rate: \$305.76.

B. Itemization of Time

Itemized time and services entries as specified in III (B)(1) of the procedural guidelines adopted by the United States Trustee pursuant to 28 U.S.C. §586(3)(A) are provided on the attached sheet(s).

WHEREFORE, the Trustee on behalf of the Applicant respectfully requests that the Court enter an order substantially in the form attached hereto as Exhibit C approving the charges made in this Application.

Dated: 03/08/2022

/s/ Lynn L. Tavenner, Trustee
Lynn L. Tavenner, Trustee (Va. Bar No. 30083)
Tavenner & Beran, PLC
20 North Eighth Street, Second Floor
Richmond, Virginia 23219
(804) 783-8300

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Compensation of Professional Accountant, with exhibit(s) attached, was electronically served or mailed, by U. S. mail, postage prepaid to Shannon F. Pecoraro, Esquire, Trial Attorney for the Office of the United States Trustee, and all parties receiving ECF notices. Notification of the filing of the Application and amounts sought therein will be served on (a) the Debtor's 20 Largest Unsecured Creditors; (b) all known secured creditors from the Debtor's Official Form 106D; (c) the Core Parties and 2002 List as defined in the Case Management Order; and (d) all parties requesting service of pleadings in this Case (as indicated on the Schedule A attached to the Court filed copy of the Notice of said Application).

/s/ Lynn L. Tavenner, Trustee
Lynn L. Tavenner, Trustee (Va. Bar No. 30083)
Tavenner & Beran, PLC
20 North Eighth Street, Second Floor
Richmond, Virginia 23219
(804) 783-8300

Exhibit A

PROJECT SUMMARY

1. **Application for Compensation:** The preparation of the application for compensation and forward to Trustee for filing.
2. **Tax Returns/Issues:** Review tax notice from Dearborn, Michigan counsel; obtain court's order to reject leases and abandon personal property; call and email to Dearborn's counsel to resolve matter; print and assemble 2018 tax returns; work on questions related to Trustee's attorney email regarding Gary LeClair; call from Trustee's attorney regarding IRS audit; review and organize IRS audit file; scan file and email as directed; organize workpapers; look into Texas Franchise tax claims; call with Texas Attorney General's office regarding claims; review information received from Attorney General's office and compare to returns filed by the debtor; related tax research; email to Trustee and Trustee's attorney explaining tax claims; continue working with questions from Trustee's attorney; continue research regarding partnership tax issues; prepare for conference call with Trustee's attorney; conference call with Trustee's attorney regarding tax return issues related to partners that should receive K-1s; continue tax research regarding effect of Form 8082 filed by a partner; research how a partner should disclose that they are taking a different position from a schedule K-1; review all research regarding Form 8082; draft email explaining our findings; contact Trustee regarding preparing the 2021 tax return; determine information needed to prepare the 2021 tax return and contact to request; receive 2021 information from Trustee's office; printing emails and schedules from staff; work with 2021 cash receipts and disbursements information; contact staff with questions; work with 2021 Form 2 activity; work with responses from staff; locate and read documents on Docket to help account for recovery of preference payments and properly record other transactions; prepare and contact Trustee with questions regarding 2021 Form 2 activity; organize workpapers.

SUMMARY OF TIME BY PROJECT

		Average Rate Per Hour	
1.	Application for Compensation 2.00 hours	\$ 125.00	\$ 250.00
2.	Tax Returns/Issues 37.26 hours	\$ 315.47	11,754.25
	Subtotal <u>39.26 hours</u>		<u>12,004.25</u>
	Expenses Due		<u>25.40</u>
	Total		<u>\$ 12,029.65</u>

Exhibit B

APPLICATION FOR COMPENSATION

11/30/2021	DEPRISCO, CHERYL	2.00	Preparation of Application for Compensation by project summaries; review all entries for correct project codes and calculation of each employees time for each project; forward to trustee's office for filing.	250.00
<hr/>				
Subtotals:		2.00		250.00

TAX RETURNS/ISSUES

12/03/2021	STRICKLAND, BARRY	1.25	Review tax notice from Dearborn, Michigan counsel; obtain court's order to reject leases and abandon personal property; call and email to Dearborn's counsel to resolve the matter	393.75
01/18/2022	CHAPPELL, BETSY	1.67	Printing and assembling the 2018 tax returns; working on questions per Paula Beran's 1/18/2022 email regarding Gary LeClair	517.70
01/19/2022	STRICKLAND, BARRY	1.92	Call from Paula Beran regarding IRS audit; review and organize IRS audit file; scan contents of file and email as directed by Paula	624.00
01/19/2022	CHAPPELL, BETSY	0.25	Organizing work papers	77.50
01/20/2022	STRICKLAND, BARRY	4.17	Investigate two Texas Franchise tax claims; call with Texas Attorney General's office regarding the claims; review information received from the Attorney General's office and compare to returns filed by the debtor; related tax research; email to Lynn and Paula explaining the tax claims	1,355.25
01/20/2022	CHAPPELL, BETSY	0.25	Continue working with questions from Paula Beran	77.50
01/21/2022	STRICKLAND, BARRY	3.91	Continue research regarding partnership tax issues; prepare for conference call with call Paula Beran; follow up	1,270.75
01/21/2022	CHAPPELL, BETSY	1.42	Conference call with Paula Beran to discuss tax return issues related to partners that should receive K-1s	440.20
01/22/2022	STRICKLAND, BARRY	2.08	Continue tax research regarding effect of Form 8082 filed by a partner	676.00
01/22/2022	CHAPPELL, BETSY	1.17	Research how a partner should disclose that they are taking a different position from a Schedule K-1	362.70
01/24/2022	STRICKLAND, BARRY	1.08	Review all research regarding Form 8082; draft email explaining our finding	351.00
01/24/2022	CHAPPELL, BETSY	0.25	Continued work related to partner taking a different position	77.50
01/28/2022	CHAPPELL, BETSY	0.17	Contact Trustee regarding preparing the 2021 tax return	52.70
01/29/2022	CHAPPELL, BETSY	0.75	Determine what information we will need to prepare the 2021 tax return and contact staff to request	232.50
01/31/2022	CHAPPELL, BETSY	0.08	Received 2021 information from Trustee's office	24.80
02/08/2022	CHAPPELL, BETSY	0.25	Printing emails and schedules from staff	77.50
02/21/2022	CHAPPELL, BETSY	0.17	Received 2021 additional information from Trustee	52.70
02/21/2022	CHAPPELL, BETSY	1.17	Begin working with the 2021 cash receipts	362.70

			and disbursements information	
02/22/2022	CHAPPELL, BETSY	1.83	Continue working with cash receipts and disbursements information; contact staff with questions	567.30
02/22/2022	CHAPPELL, BETSY	3.00	Begin working with Form 2 activity for 2021	930.00
02/23/2022	CHAPPELL, BETSY	0.67	Working with responses from our questions to the staff	207.70
02/23/2022	CHAPPELL, BETSY	1.58	Locating documents on docket to help account for recovery of preference payments	489.80
02/27/2022	CHAPPELL, BETSY	2.00	Continue working on summary of Form 2 for 2021; locating and reading documents from docket to help properly account for transactions	620.00
02/28/2022	CHAPPELL, BETSY	5.00	Continue working on summary of Form 2 for 2021; preparing questions to ask Trustee	1,550.00
03/01/2022	CHAPPELL, BETSY	1.17	Contact Trustee with questions regarding 2021 Form 2 activity; organizing workpapers	362.70
<hr/> Subtotals:		<hr/> 37.26		11,754.25

XP: OUT-OF-POCKET EXPENSES

03/05/2022	EXPENSES	<u>0.00</u>	Docket copies	<u>25.40</u>
Subtotals:		<u>0.00</u>		<u>25.40</u>
Total billed hours		<u>39.26</u>	Billed Time & Expenses	<u>\$12,029.65</u>
			Invoice Total	<u>\$12,029.65</u>

EXHIBIT C

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:)	Case No.
)	19-34574-KRH
LeClairRyan, PLLC, ¹)	
)	Chapter
Debtor)	7
)	

ORDER APPROVING COMPENSATION
OF ACCOUNTANT FOR TRUSTEE

Comes now Lynn L. Tavenner, Trustee (the “Trustee”), on behalf of Barry Strickland & Company, Certified Public Accountants, accountant for the bankruptcy estate of the Debtor, on its Application for Compensation (the “Application”) for services rendered on behalf of the Trustee; and

It appearing to the Court that proper Notice of the Application was mailed to all creditors and parties in interest, no objections having been filed and hearing having been held, it is hereby

ORDERED that Barry Strickland & Company be awarded compensation in the amount of **\$12,004.25** for services rendered as accountant and the sum of **\$25.40** for reimbursement of expenses, and the Trustee is hereby authorized to pay the amounts so allowed.

Entered:

/s/ _____
United States Bankruptcy Judge

We ask for this:

/s/ _____
Paula S. Beran, Esquire (Va. Bar No. 34679)
Tavenner & Beran PLC
20 North Eighth Street, Second Floor
Richmond, Virginia 23219
Telephone: (804) 783-8300
Facsimile: (804) 783-0178

Counsel for Lynn L. Tavenner, Chapter 7 Trustee

¹ The principal address of the Debtor as of the petition date was 4405 Cox Road, Glen Allen, Virginia 23060, and the last four digits of the Debtor’s federal tax identification number are 2451.

Seen and no objection:

Shannon F. Pecoraro (Va. Bar No. 46864)
Department of Justice
Office of the United States Trustee
701 East Broad Street, Suite 4304
Richmond, Virginia 23219
Tel: (804) 771-2310
Fax: (804) 771-2330

Local Rule 9022-1 Certification

I hereby certify that, pursuant to Local Rule 9022-1, the foregoing proposed *Order* has either been served upon and /or endorsed by all necessary parties.

Counsel for Lynn L. Tavenner, Chapter 7 Trustee

Service List of Entered Order

Shannon F. Pecoraro, Esquire
Office of the United States Trustee
701 East Broad Street, Suite 4304
Richmond, Virginia 23219

Paula S. Beran, Esquire
Tavenner & Beran PLC
20 North Eighth Street, Second Floor
Richmond, Virginia 23219